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## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Ordinance No. 1799 Entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Chapter 13.20, 'Electrical Service,' by Repealing Section 13.20.175, Schedule MCA – Market Cost Adjustment, and Enacting New Section 13.20.175, Schedule ECA – Energy Cost Adjustment"

**MEETING DATE:** June 6, 2007

**PREPARED BY** City Clerk

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**RECOMMENDED ACTION:** Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 1799.

**BACKGROUND INFORMATION:** Ordinance No. 1799 entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Chapter 13.20, 'Electrical Service,' by Repealing Section 13.20.175, Schedule MCA – Market Cost Adjustment, and Enacting New Section 13.20.175, Schedule ECA – Energy Cost Adjustment" was introduced at the regular City Council meeting of May 16, 2007.


**ADOPTION:** With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required – one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. **Cal. Gov't Code § 36934.**

Ordinances take effect 30 days after their final passage. **Cal. Gov't Code § 36937.**

This ordinance has been approved as to form by the City Attorney.

**FISCAL IMPACT** None.

**FUNDING AVAILABLE:** None required.

  
Randi Johl  
City Clerk

RJ/jmp

Attachment

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**APPROVED:**   
Blair King, City Manager

ORDINANCE NO. 1799

AN ORDINANCE OF THE LODI CITY COUNCIL AMENDING LODI  
MUNICIPAL CODE CHAPTER 13.20, "ELECTRICAL SERVICE," BY  
REPEALING SECTION 13.20.175, SCHEDULE MCA – MARKET  
COST ADJUSTMENT, AND ENACTING NEW SECTION 13.20.175,  
SCHEDULE ECA – ENERGY COST ADJUSTMENT

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Section 13.20.175, "Schedule MCA – Market Cost Adjustment," is hereby repealed in its entirety.

SECTION 2. Lodi Municipal Code Section 13.20.175, "Schedule ECA – Energy Cost Adjustment," is hereby enacted to read as follows:

**APPLICABILITY:**

This schedule is applicable to all electric customers served by the City of Lodi. Each customer shall pay the applicable rate plus an Energy Cost Adjustment (ECA) for each kilowatt-hour (kWh) delivered to the customer. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the ECA amount per kWh.

The purpose of the ECA is to adjust for increases/decreases to the City of Lodi's wholesale energy costs. This adjustment provides a mechanism to recover increased costs for wholesale energy or to lower collections when costs decrease below the base charge level.

**RATES:**

Effective July 1, 2007, the ECA billing factor for any given month shall be calculated as follows:

$$ECA = \frac{(a) + (b) - (c)(d+f)}{(e)} - (f)$$

Where:

- (a) equals the amount the City of Lodi is actually charged by the Northern California Power Agency for the billing month, including adjustments for prior billing periods, less any third party revenue credits.
- (b) equals the City of Lodi's estimated costs related to the acquisition of wholesale power, both financial and physical, procured directly by the City for the billing month, including adjustments for prior billing periods.
- (c) equals the difference between actual retail energy sales and projected sales level for the month which is two (2) months prior to the billing month.
- (d) equals the ECA billing factor for the month which is two (2) months prior to the billing month.
- (e) equals the forecast of projected retail energy sales for the billing month.
- (f) equals the baseline energy cost for the City of \$0.0831.

The City of Lodi will recalculate the ECA each month, and resulting amount shall be automatically implemented for bills rendered during the following billing month. The ECA shall not be discounted.

ECA calculations will be presented to the Lodi Budget and Finance Committee for their ongoing audit verification.

SECTION 3. The paragraphs referencing a Market Cost Adjustment in the Rate Schedule Exhibits in: Lodi Municipal Code Sections 13.20.190, EA-Residential Service; 13.20.200, ED-Residential Share; 13.20.210, EM-Mobile Home Park Service; 13.20.235, ES-City Facilities Service; 13.20.240, GI-Group 1; 13.20.250, G2-Group 2; 13.20.260, G3-Group 3; 13.20.270, G4-Group 4; 13.20.280, G5-Group 5; 13.20.310, I1-Group 5 Optional; shall be amended to read as follows:

ENERGY COST ADJUSTMENT (SCHEDULE ECA):

An Energy Cost Adjustment (ECA) may be included in each bill for service as provided in Section 13.20.175 Schedule ECA – Energy Cost Adjustment.

SECTION 4. The reference to “EA Market Cost Adjustment” in the Exhibit to Lodi Municipal Code Section 13.20.220, MR-Medical Residential Discount” shall be amended to refer to an “Energy Cost Adjustment (ECA) as provided in Section 13.20.175 Schedule ECA – Energy Cost Adjustment.” Further, the second paragraph of the Section of the above Exhibit entitled “Applicability” shall be amended to read as follows:

Master-metered customers with qualifying tenant(s) on Schedule EA are entitled to a discount of 25% per billing cycle (monthly bill) for each qualifying household or mobile home unit. Master-metered customers with qualifying tenant(s) on Schedule ED are entitled to a discount of 5% per billing cycle (monthly bill) for each qualifying household or mobile home unit.

SECTION 5. No Mandate Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

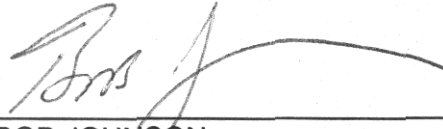
SECTION 6. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 7. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 8. This ordinance shall be published pursuant to law and shall become effective 30 days from the date of passage and adoption.

SECTION 9. This amended Schedule referenced above shall be effective on applicable electric utility billings prepared by the City of Lodi on or after July 6, 2007, or the first date allowable under State law.

Approved this 6<sup>th</sup> day of June, 2007



BOB JOHNSON  
MAYOR

ATTEST:



RANDI JOHL  
City Clerk

State of California  
County of San Joaquin, ss.

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1799 was introduced at a regular meeting of the City Council of the City of Lodi held May 16, 2007, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held June 6, 2007, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Katzakian, and Mayor Johnson  
NOES: COUNCIL MEMBERS – Mounce  
ABSENT: COUNCIL MEMBERS – None  
ABSTAIN: COUNCIL MEMBERS – None

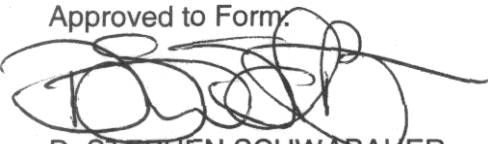
I further certify that Ordinance No. 1799 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.



RANDI JOHL

City Clerk

Approved to Form:



D. STEPHEN SCHWABAUER  
City Attorney